

**RESOLUTION NO. 2017-38**

**RESOLUTION FIXING WATER RATES FOR THE  
CITY OF FOREST GROVE, EFFECTIVE JULY 1, 2017,  
AND REPEALING RESOLUTION NO. 2016-37**

**WHEREAS**, Forest Grove Code Section 4.035 and 3.800 authorizes the City Council to fix water rates, water connection charges, and system development charges by resolution; and

**WHEREAS**, the City Council has determined that water fund revenue requirements will necessitate that water rates be increased; and

**WHEREAS**, a duly-noticed Public Hearing was held June 12, 2017.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:**

**Section 1:** That the water rates within the city limits of Forest Grove shall be as follows:

SF RESIDENTIAL CUSTOMER CLASS				
METER SIZE	MONTHLY FIXED RATE	MONTHLY USAGE RATES		
		TIER 1	TIER 2	TIER 3
		0 kgal to 7 kgal	7 kgal to 15 kgal	15 kgal & Over
3/4" & Less	\$24.44	\$1.84	\$3.91	\$5.67
1"	\$34.20	\$1.84	\$3.91	\$5.67
1.5"	\$50.43	\$1.84	\$3.91	\$5.67
2"	\$69.93	\$1.84	\$3.91	\$5.67

MF RESIDENTIAL CUSTOMER CLASS			COMMERCIAL CUSTOMER CLASS		
METER SIZE	MONTHLY FIXED RATE	MONTHLY USAGE RATE (kgal)	METER SIZE	MONTHLY FIXED RATE	MONTHLY USAGE RATE (kgal)
3/4" & Less	\$24.44	\$2.66	3/4" & Less	\$24.44	\$2.82
1"	\$34.20	\$2.66	1"	\$34.20	\$2.82
1.5"	\$50.43	\$2.66	1.5"	\$50.43	\$2.82
2"	\$69.93	\$2.66	2"	\$69.93	\$2.82
3"	\$89.78	\$2.66	3"	\$111.14	\$2.82
4"	\$132.40	\$2.66	4"	\$181.22	\$2.82
6"	\$250.69	\$2.66	6"	\$321.37	\$2.82
8"	\$392.68	\$2.66	8"	\$505.38	\$2.82

INDUSTRIAL CUSTOMER CLASS			COMPOUND METERS		
METER SIZE	MONTHLY FIXED RATE	MONTHLY USAGE RATE (kgal)	MONTHLY FIRE SERVICE CHARGE	\$70.29	MFR compound meter example: 2" domestic plus compound meter: \$140.22
3/4" & Less	\$24.44	\$2.45			
1"	\$34.20	\$2.45			
1.5"	\$50.43	\$2.45			
2"	\$69.93	\$2.45			
3"	\$127.97	\$2.45	FIRE SERVICE		
4"	\$192.06	\$2.45	MONTHLY FIRE SERVICE CHARGE		\$8.48
6"	\$370.07	\$2.45			
8"	\$583.64	\$2.45			

	USAGE RATE (kgal)
FIRE HYDRANT WATER (permit required)	\$3.17

**Section 2:** That the following rules shall govern the definition of various customer classes:

- a. Whenever one water meter serves more than one type of customer class, the higher of the two rates shall be charged for all water used.
- b. In order to be classified as a residential water user, the water customer must meet the following definition:

The term residential user is applicable to all single family, multiple family, and mobile home buildings where residential customers receive metered water service, and which structures house family dwelling units. A residential dwelling unit is defined to include dwelling units designed for permanent occupation by family and which include kitchens and bathroom facilities.

- c. In order to be classified as an industrial water user, a water utility customer must meet all three requirements listed below:
  - (1) A water system customer's status is determined by using the Standard Industrial Classification Manual and the customer must belong to a major industrial group in Division A (agriculture, forestry, and fishing), Division B (mining), Division D (manufacturing), or Division F (wholesale trade) as defined in most current Standard Industrial Classification Manual.

- (2) A water system customer's historical annual water use, documented by City of Forest Grove Water Utility water billing records, must equal or exceed an average of 10,000 gallons per day.
- (3) A water system customer's water meter size must equal or exceed two inches in diameter.
- d. A water user who does not meet the requirements contained in Section 2(b) residential user of section 2(c) industrial user shall be classified and billed for water as a commercial class customer.
- e. Any water taken from fire hydrant or other unmetered facility other than for an authorized city use shall be charged at the rate listed in Section 1 above for Fire Hydrant Water, plus the current permit fee.

**Section 3:** That the monthly charge when there is no water consumption shall be the monthly fixed rate contained in Section 1 of the meter size and customer class for the service being provided.

**Section 4:** That meters set on "stand-by" service shall be charged as set out by the fee Resolution No. 2017-35.

**Section 5:** That the following rules shall govern the definition of a meter on stand-by service:

- a. A meter on stand-by service is out of service;
- b. The property owner may make application for stand-by service to the City, or the City may place a water meter on stand-by at its discretion after seven (7) or more months of non-use;
- c. The water meter must be out of service for seven (7) or more consecutive months from the date the property owner applies, or the seven (7) preceding months if the City places a meter on stand-by;
- d. If a meter is taken off of stand-by service before the passage of seven (7) consecutive months, Section 3 will apply retro-actively from the date the meter was placed on stand-by;
- e. Once brought back into service, the water meter must remain in service for twelve (12) consecutive months before becoming eligible to be placed on stand-by service again;
- f. If the water meter remains on stand-by service for sixty (60) or more consecutive months, in order to put the meter back in service, the prevailing meter drop-in charges will apply.

**Section 6:** That the applicable rate for water service outside the city limits shall be those contained in Section One (1) through Section Four (4), plus 100%, except as otherwise noted.

**Section 7:** The above water rates shall become effective July 1, 2017.

**Section 8:** Resolution No. 2016-37 is hereby repealed upon the effective implementation date of the foregoing water rates.

**Section 9:** This resolution is effective immediately upon its enactment by the City Council.

**PRESENTED AND PASSED** this 12<sup>th</sup> day of June, 2017.

  
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Anna D. Ruggles, City Recorder

**APPROVED** by the Mayor this 12<sup>th</sup> day of June, 2017.

  
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Peter B. Truax, Mayor



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CITY RECORDER USE ONLY:	
AGENDA ITEM #:	6/12/17
MEETING DATE:	7.
FINAL ACTION:	Repeal 2017-38 4% increase

## CITY COUNCIL STAFF REPORT

**TO:** City Council

**FROM:** Jesse VanderZanden, City Manager

**MEETING DATE:** June 13, 2016

**PROJECT TEAM:** Rob Foster, Public Works Director  
Paul Downey, Administrative Services Director

**SUBJECT TITLE:** Water Rate Increase Effective July 1, 2017

**ACTION REQUESTED:**

<input type="checkbox"/>	Ordinance	<input type="checkbox"/>	Order	<input checked="" type="checkbox"/>	Resolution	<input type="checkbox"/>	Motion	<input type="checkbox"/>	Informational
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*X all that apply*

**ISSUE STATEMENT:** The attached resolution proposes to increase water rates by a system-wide average of 4.0%.

**BACKGROUND:** The City hired FCS Group in 2011 to perform a cost of service analysis to ensure that water rates were recovering adequate revenue in an equitable manner. In 2015, the City hired FSC Group to perform an updated water rate analysis due to significant revisions in the capital improvement program. The revisions were mostly due to changes in the JWC capital program with larger capital expenditures being moved out to future years. The results of that update was a need for the City to increase water rates by a system-wide average of 3.5% for the next several years to pay for ongoing operational expenses and to fund needed investments to maintain and expand the water capital infrastructure. Staff is proposing to continue that increase.

As part of the budget process for FY 2017-18, the City is in the second year of the three-year implementation of the increased costs for the changes to the actuarial assumptions for the City's Defined Benefit Retirement Plan which will increase the annual contribution costs for that plan by \$1.2 million per year for all funds. Staff added 0.75% to water rate increase for the first year of implementation (FY 2016-17). For the second year of the implementation (FY 2017-18), staff is proposing to add an additional 0.50% to the FY 2017-18 water rate increase to pay for the second year increase in the retirement costs. The total rate increase requested on July 1, 2017, is 4.00%.

Staff is proposing to implement the 4.00% rate increase across the board for all classes of service. Additionally, staff is proposing to change the monthly fixed costs for ¾-inch to 2-inch meters so those costs are the same across all classes of services. For example, a 2" Meter Charge for a single-family residential will be \$69.93 as of July 1, 2017, if the rate increase is approved while a 2" Meter Charge for multi-family residential would have been \$51.91 if only the 4% rate increase was applied to last year's rate. However, staff is proposing that fixed meter charges for the ¾" to 2" meters be set at the single-family residential rate across all classes of service.

For an average single-family residential user, the proposed changes mean the water bill will increase by about \$1.43 per month.

**FISCAL IMPACT:** The proposed rate increase and the adjustment to the residential rate schedule should be adequate to fund operational requirements including the increased retirement costs and continue to set funds aside for upcoming planned capital improvement projects with the goal of not having to borrow additional funds until the existing Water Fund debt is paid.

**STAFF RECOMMENDATION:** Staff recommends the Council approve the attached resolution.

**ATTACHMENT(s):** Resolution





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## **NOTICE OF PUBLIC HEARING PROPOSED INCREASE OF WATER AND SEWER RATES FOR THE CITY OF FOREST GROVE**

**NOTICE IS HEREBY GIVEN** that the Forest Grove City Council will hold Public Hearings on **Monday, June 12, 2017, at 7:00 p.m. or thereafter**, in the Community Auditorium, 1915 Main Street, Forest Grove, to consider adopting resolutions that would increase water rates for all customer classes to achieve an overall four percent (4%) water revenue increase and sanitary sewer rates by three percent (3%) per month per equivalent dwelling unit. If enacted by City Council, the proposed rate increases would be effective July 1, 2017.

This hearing is open to the public and interested parties are encouraged to attend. A copy of the report and a list of the proposed fees are available for inspection before the hearing at the City Recorder's Office or by visiting the City's website at [www.forestgrove-or.gov](http://www.forestgrove-or.gov). Written comments or testimony may be submitted at the hearing or sent to the attention of the City Recorder's Office, P. O. Box 326, 1924 Council Street, Forest Grove, OR 97116, prior to the hearing. For further information, please call Anna Ruggles, City Recorder, 503.992.3235.

Anna D. Ruggles, CMC, City Recorder  
City of Forest Grove

**Published NewsTimes ~ Wednesday, June 7, 2017**



Date: June 12, 2017

Agenda Item: 7.

Subject: PUBLIC HEARING AND RESOLUTION NO. 2017-38 FIXING WATER RATES FOR THE CITY OF FOREST GROVE, EFFECTIVE JULY 1, 2017, AND REPEALING RESOLUTION NO. 2016-37

## **CITY COUNCIL MEETING**

### **Request to Testify at Public Hearing**

**Public Hearings – Public hearings are held on each matter required by state law or City policy. Anyone wishing to testify should sign-in for the Public Hearing prior to the meeting. The Mayor or presiding officer will review the complete hearing instructions prior to testimony. The Mayor or presiding officer will call the individual or group by the name given on the sign-in form. When addressing the Mayor and Council, please move to the witness table (center front of the room). Each person should speak clearly into the microphone and must state their first and last name and provided a mailing address for the record. All testimony is electronically recorded. In the interest of time, Public Hearing testimony is limited to three minutes unless the Mayor or presiding officer grants an extension. Written or oral testimony is heard prior to any Council action.**

*Please sign-in below to testify.*

**PROPONENTS:** *(Please print legibly)*

**First & Last Name:**

**Address:**

**City, State & Zip Code:**

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**OPPONENTS:** *(Please print legibly)*

**First & Last Name:**

**Address:**

**City, State & Zip Code:**

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**OTHERS:** *(Please print legibly)*

**First & Last Name:**

**Address:**

**City, State & Zip Code:**

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E-mail: [legals@commnewspapers.com](mailto:legals@commnewspapers.com)

### AFFIDAVIT OF PUBLICATION

State of Oregon, County of Washington, SS  
I, Charlotte Allsop, being the first duly sworn,  
depose and say that I am the Accounting  
Manager of the **Forest Grove News-Times**,  
a newspaper of general circulation, published  
at Forest Grove, in the aforesaid county and  
state, as defined by ORS 193.010 and  
193.020, that

#### City of Forest Grove

**Notice of Public Hearing - Proposed  
Increase of Water and Sewer Rates  
FGNT15901694**

a copy of which is hereto attached, was  
published in the entire issue of said  
newspaper for

1

week in the following issue:

**June 7, 2017**

*Charlotte Allsop*

Charlotte Allsop, Accounting Manager

Subscribed and sworn to before me this  
June 7, 2017.

*[Signature]*

NOTARY PUBLIC FOR OREGON



Acct #298024

PO #: 20165070

**Attn: Anna Ruggles**

City of Forest Grove

PO Box 326

Forest Grove, OR 97116

Size: 2 x 5.20"

Amount Due: \$99.32\*

\*Please remit to the above address.



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### **NOTICE OF PUBLIC HEARING PROPOSED INCREASE OF WATER AND SEWER RATES FOR THE CITY OF FOREST GROVE**

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City of Forest Grove  
Publish 06/07/2017.

FGNT15901694